FORM 51-102F3

MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

Stelco Holdings Inc. (the "**Company**")
386 Wilcox Street
Hamilton, Ontario
L8L 8K5

2. DATE OF MATERIAL CHANGE

September 12, 2022

3. NEWS RELEASE

A news release announcing the material change described below was disseminated through the facilities of Business Wire on September 12, 2022 and subsequently filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

4. SUMMARY OF MATERIAL CHANGE

On September 12, 2022, the Company announced the results of its substantial issuer bid (the "**Offer**"). Pursuant to the Offer, the Company has taken up a total of 5,165,133 common shares (the "**Shares**") at a price of $35.00 per Share for an aggregate purchase amount of $180,779,655.

5. FULL DESCRIPTION OF MATERIAL CHANGE

Results of the Substantial Issuer Bid

On September 12, 2022, the Company announced the final results of the Offer. The Company has taken up a total of 5,165,133 Shares under the Offer at $35.00 per Share, representing an aggregate purchase amount of $180,779,655 and 7.5% of the total number of the Company's issued and outstanding Shares before giving effect to the Offer. After giving effect to the Offer, the Company has 63,355,691 Shares issued and outstanding.

As announced in a news release disseminated through the facilities of Business Wire on August 31, 2022 and subsequently filed on SEDAR, the Company took up 5,154,680 Shares that were tendered as of the Offer's initially scheduled expiry at 5:00 p.m. (Toronto time) on August 31, 2022. On September 12, 2022, the Company announced that it had taken up 10,453 additional Shares (the "**Additional Shares**") that were validly deposited and not withdrawn to the Offer.

The Offer expired at 5:00 p.m. (Toronto time) on September 12, 2022.

Payment and settlement of the Additional Shares will be effected by Computershare Investor Services Inc. in accordance with the settlement procedures described in the Offer documents. As the total number of Shares tendered was less than the total that could have been acquired by the Company under the terms of the Offer, all Shares validly deposited and not withdrawn prior to the expiry of the Offer were acquired and no proration was required.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

No information has been intentionally omitted from this form.

8. EXECUTIVE OFFICER

Further information regarding this matters described in this report may be obtained from Paul D. Scherzer, Chief Financial Officer, who is knowledgeable about the details of the material change and may be contacted at (905) 577-4432.

9. DATE OF REPORT

September 15, 2022

Forward Looking Information

This material change report contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Undue reliance should not be placed on forward-looking information. The forward-looking information in this material change report is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Further, forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to, those described in this material change report. Certain assumptions, risks and uncertainties in respect of: the utilization of and access to our production capacity; capital expenditures associated with accessing such production capacity; the ongoing impact of the hostilities in eastern Europe and elsewhere on the international supply chain and economy overall; the impact of COVID-19 on our business and the broader market in which we operate; upgrades to our facilities and equipment; our research and development activities associated with advanced steel grades; our ability to source raw materials and other inputs; our ability to supply to new customers and markets; our ability to effectively manage costs; our ability to attract and retain key personnel and skilled labour; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; changes in laws, rules, and regulations, including environmental and international trade regulations; and growth in steel markets and industry trends are material factors made in preparing the forward-looking information and management's expectations contained in this material change report and that may cause actual results to differ materially from the forward-looking information disclosed in this material change report. Additional information about the risks and uncertainties of the Company's business and material risk factors or assumptions on which information contained in forward-looking statements is based is provided in the Company's disclosure materials, including the Company's most recently filed annual information form and any subsequently-filed interim management's discussion and analysis, which are available under our profile on SEDAR at www.sedar.com.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information, which speaks only as of the date made. The forward-looking information contained in this material change report represents our expectations as of the date of this material change report and is subject to change after such date. The Company disclaims any intention or obligation or undertaking to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.